

Political Organization
Notice of Section 527 Status

OMB No. 1545-1693

Part I General Information

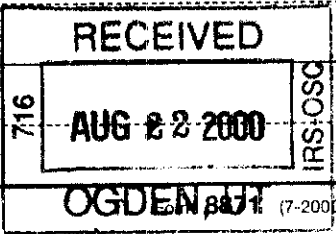
1 Name of organization FRIENDS OF GARY HOOSER		Employer identification number 99 0350613
2 Mailing address (P.O. Box or number, street, and room or suite number) 1351 KUHIO HWY City or town, state, and ZIP code KAPA'A, HI 96746		
3 E-mail address of organization GARY@HSHAWAII.COM		
4a Name of custodian of records DONOVAN HIVELY	4b Custodian's address 6466 KIPAPA RD, KAPA'A, HI 96746-8623	
5a Name of contact person WIL WELSH	5b Contact person's address 1351 KUHIO HWY, KAPA'A, HI 96746	
6 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number City or town, state, and ZIP code		

Part II Purpose

7 Describe the purpose of the organization
CAMPAIGN ELECTION COMMITTEE

Part III List of All Related Entities (see instructions)

8a Name of related entity	8b Relationship	8c Address



Part IV List of All Officers, Directors, and Highly Compensated Employees (see instructions)

[illegible]

Under penalties of perjury, I declare that the organization named in Part I is to be treated as an organization described in section 527 of the Internal Revenue Code, and that I have examined this notice, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

**Sign
Here**

Signature of authorized official

8.18.00

Date _____



Printed on recycled paper

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August 18, 2000

Internal Revenue Service
Ogden Service Center
Ogden, UT 84201

Aloha:

Enclosed is Form 8871 for the election campaign committee Friends of Gary Hooser. The form was filed electronically on August 18, 2000 via the internet. This form is being filed late as a result of the information made available to us by the Attorney General of the State of Hawaii, the Campaign Spending Commission of the State of Hawaii and the County Clerk of the County of Kauai, Hawaii. I have enclosed the various correspondences that relate to the preceding.

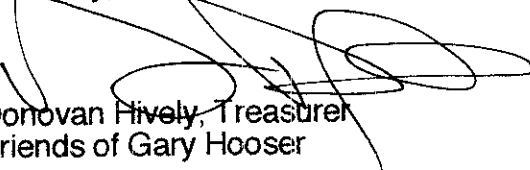
Even though we have filed, it is doubtful we will meet the \$25,000 minimum for this calendar year. If there are any questions, you should contact:

Councilman Gary Hooser (808) 822-7449 gary@hshawaii.com

Or

Donovan Hively (808) 634-5111 hively@aloha.net

Sincerely,



Donovan Hively, Treasurer
Friends of Gary Hooser

COUNTY COUNCIL

RONALD D. KOUCHI, CHAIR
BRYAN J. BAPTISTE, VICE-CHAIR
GARY L. HOOSER
DARYL W. KANESHIRO
BILLY KEALAMAIIKAHIKI SWAIN
JAMES KUNANE TOKIOKA
RANDAL G.B. VALENCIANO

Ph.(808)241-6371



ELECTIONS DIVISION

4396 Rice St., Rm. 106
Lihue, Kauai, HI 96766-1399

OFFICE OF THE COUNTY CLERK

PETER A. NAKAMURA, County Clerk
ERNESTO G. PASION, Deputy County Clerk

Ph.(808)241-6350
Fax(808)241-6207

August 4, 2000

Dear Councilmember Hooser:

Enclosed please find an advisory from the Department of the Attorney General informing us of a new law, 26 U.S.C § 527(i), signed by President Clinton on July 1, 2000.

We initially received the advisory on August 1, 2000, and were in the process of forwarding it to you, but were advised not to by Robert Watada, Executive Director of the Campaign Spending Commission, who questioned whether state and county candidates were covered by this new law.

Upon further review, it now appears that state and county candidates are required to register with the Internal Revenue Service (IRS) by **July 31, 2000** by completing Form 8871. Organizations created on or after July 31, 2000, must register with the IRS **within 24 hours** after they are created.

The IRS may also require periodic reports from state and local candidates and non-federal political action committees by filing Form 8872. Instructions to Forms 8871 and 8872 have been included for your convenience.

An organization may be exempt from filing Form 8871 if it qualifies for any of the three (3) exceptions noted in the enclosed photocopy of the Attorney General's letter. Please consult your accountant, legal counsel, or the State Campaign Spending Commission at (808) 586-0258, should you have questions concerning this matter.

Sincerely,

PETER A. NAKAMURA
COUNTY CLERK

PAN/lmy
Enclosures

BENJAMIN J. CAYETANO
GOVERNOR



EARL I. ANZAI
ATTORNEY GENERAL
THOMAS R. KELLER
FIRST DEPUTY ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 586-1600

July 31, 2000

Mr. Peter A. Nakamura
County Clerk
County of Kauai
Office of the County Clerk
4396 Rice Street, #206
Lihue, Hawaii 96766

Dear Mr. Nakamura:

Re: **New IRS Registration and Filing Requirements for State Candidates**

This advises you of a new law, 26 U.S.C. § 527(i), signed by President Clinton on July 1, 2000.

New 26 U.S.C. § 527(i) requires state and local candidates and non-federal political action committees to register with the Internal Revenue Service by July 31, 2000 by filing the enclosed Form 8871. Any organization created on or after July 31, 2000, must register with the Internal Revenue Service within 24 hours after they are created. In addition, state and local candidates and non-federal political action committees must file periodic reports with the Internal Revenue Service by filing the enclosed Form 8872. For your convenience, we have enclosed the instructions to Forms 8871 and 8872.

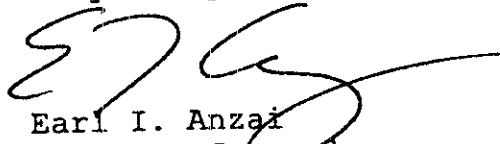
An organization is exempt from filing Form 8871 if it qualifies for any of the following three (3) exceptions: (1) an organization which has gross receipts of less than twenty-five thousand dollars (\$25,000); (2) an organization which is required to register with the Federal Elections Campaign Act of 1971 (2 U.S.C. § 431 et seq.); or (3) an organization which is exempt under Section 501(c) of the Internal Revenue Code, as amended (U.S.C.) ("IRC") and is subject to tax under

Mr. Peter A. Nakamura
July 31, 2000
Page 2

IRC 527(f). An example of the third exception is a charitable organization which makes political contributions and is subject to tax under IRC § 527(f).

The penalty for failing to timely register is that generally all of the organization's income is taxable. If you have questions or concerns about this matter please consult with your legal counsel or accountant.

Very truly yours,



Earl I. Anzai
Attorney General

Encl.

nakamura.ltr

CSC Bulletin Board

"Safeguarding the integrity of the electoral process"

August 2000 Vol. 6, No. 2

PRO-FAMILY HAWAII REQUIRED TO REPORT CONTRIBUTIONS

United States District Court Judge Helen Gilmore denied a Motion for Preliminary Injunction requested by Pro-Family Hawaii in January, 1999. Pro-Family Hawaii, a noncandidate committee, supporting a ballot initiative in the 1998 general election, sought to restrain the Campaign Spending Commission from enforcing the campaign spending statute. The statute in question requires noncandidate committees to disclose the identity of contributors that make contributions of more than \$100. Pro-Family Hawaii argued that the disclosure requirement discouraged contributions from persons who felt that they would be "intimidated" and "retaliated" against if their identity became known. The disclosure requirement would burden the Plaintiff's speech and association rights protected under the Constitution. Citing the landmark Buckley case, the Court ruled that the state has a compelling interest in preserving the legitimacy of the electoral process by exposing the source of campaign funds and the true purpose of advocacy groups.^{csc}

FCC RULES ON POLITICAL MEDIA

Candidates should beware, that in addition to disclaimer and reporting requirements related to appearances on broadcast media, the Federal Communications Commission has certain "equal time" provisions. Under the FCC rulings, any radio or television broadcast station must provide "equal time" to all candidates. For paid political advertising, the "equal time" requirement is not a problem. However, for radio and TV personalities and for public service announcements by a candidate, the broadcast station must provide "equal time" to a qualified opponent. A summary of the FCC ruling on political media is available at the Commission office.^{csc}

RULES FOR CANDIDATES CHANGING OFFICE

Advisory Opinion 00-05 answers the question of contribution limits for candidates that receive contributions for one office, and later run for another office. The Commission ruled that the contribution limit by any contributor applies for the election in which a candidate is seeking office. Candidates can also raise funds for one office and after the election, carry the funds forward for an election to another office.^{csc}



IMPORTANT

CSC Meetings

September 5
October 10
November 14

CSC Reports

Next reports due for:
Candidates

-2nd Pre-Primary
September 13
Noncandidate Comm.
-Pre-Primary
September 13

CSC E-filing

The 1st Preliminary Primary Reports filed on July 28th can be accessed on the Commission's website.

Call our office or visit our website for more information regarding these notices.

SECTION 527 POLITICAL ORGANIZATIONS

President Clinton recently signed Public Law 106-230 amending section 527 of the Internal Revenue Code. Section 527 may provide for the federal income tax of political organizations, including state and local candidate committees and other political organizations. Candidate and noncandidate committees and political organizations should consult with their tax advisor to determine what implications the section 527 designation will have for their political organization. A Department of the Treasury advisory is included with this *Bulletin* for your information.^{csc}

FREE WEBSITE HOSTING NOT A CONTRIBUTION

Is the posting of a campaign website with an Internet Service Provider (ISP) who does not charge for hosting the website a contribution by the ISP? In Advisory Opinion 00-06, the Campaign Spending Commission rules that while the free service is a "contribution" of something of value, the contribution has no value in exchange. By analogy, air is certainly something of value, but available to everyone for free. Thus, there is no contribution to report to the Commission.^{csc}